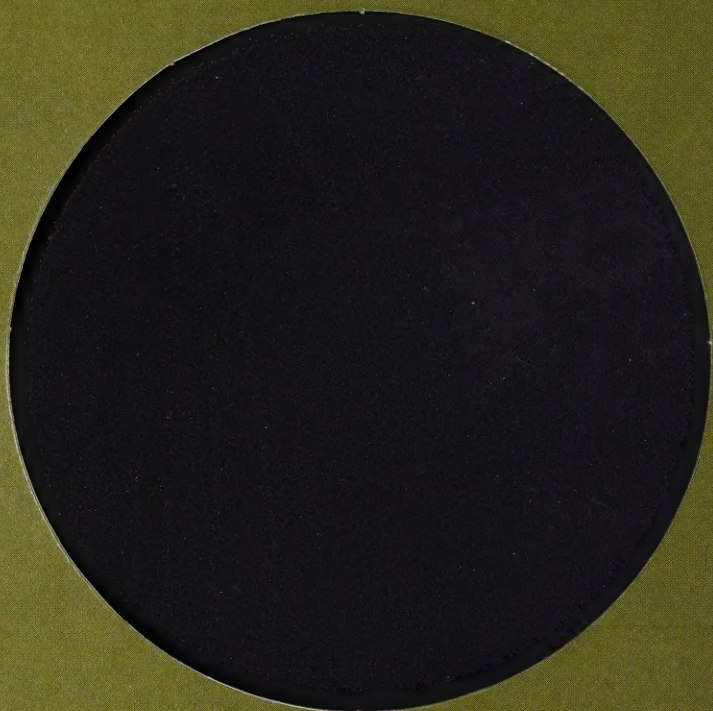


AR18

nu-west
DEVELOPMENT CORPORATION LTD.



annual report • 1974



contents

	Page
President's Report	2
Nu-West is a Leader in Housing	4
Auditor's Report	7
Financial Statements	8
Our Divisions in 1974	19
Subsidiaries & Affiliates	21
Nu-West and the Community	23
President's Note of Appreciation	23
Five Year Quarterly Performance	24
Ten Year History	Inside Back Cover

OUR COVER

With this dramatic nighttime shot of the City's glittering core, we salute Calgary as it celebrates its centennial year. A fort established in 1875 at the confluence of the Bow and Elbow Rivers by the Northwest Mounted Police was the grain of sand around which this rich pearl of a city was formed.

Early settlers could hardly have imagined the dramatic developments that would engulf the few simple streets on which they lived. After all, explorers who first visited the area had described it as a land with little potential for ever sustaining human population in appreciable numbers.

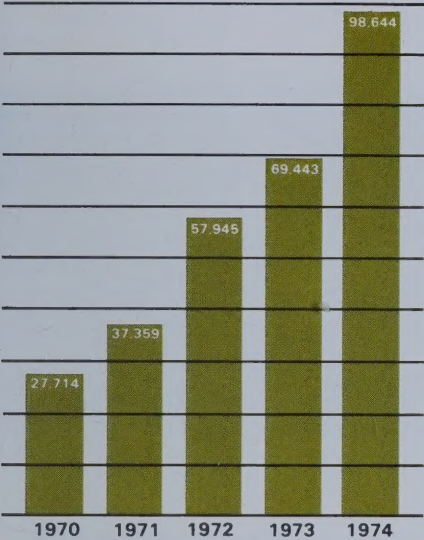
Gradually, however, a town formed around Fort Calgary. Prosperity at first came from ranching and farming, later to be supplemented with black gold riches from beneath the soil.

With the wealth came people, attracted by economic opportunities as well as the area's moderate climate and spectacular location near the gateway to the magnificent Rocky Mountains. Now, a bustling city of 445,000 spreads itself over the valleys, hills and plains surrounding the site of old Fort Calgary, forming one of the continent's finest urban environments.

Nu-West is proud of its long association with Calgary. Shortly after commencing business in Edmonton in 1945 Nu-West became active in Calgary. Since that time, Calgary has grown tremendously, and Nu-West has grown with it. Over the years, we have built approximately 10,000 homes in Calgary, housing perhaps 40,000 people.

We congratulate Calgary on the achievements of its first one hundred years and look forward to continuing our participation in its exciting future.

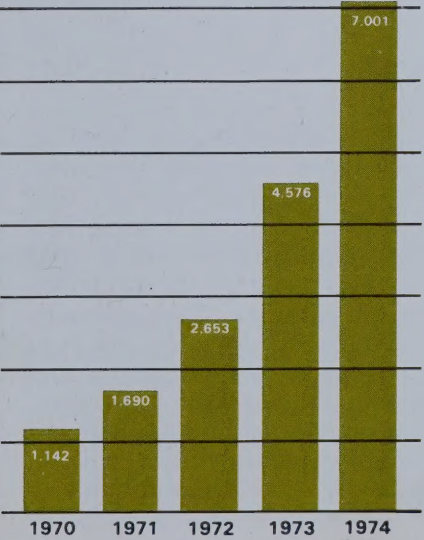
TOTAL REVENUE
(in thousands of dollars)



NET INCOME
(in thousands of dollars)



CASH FLOW
(in thousands of dollars)

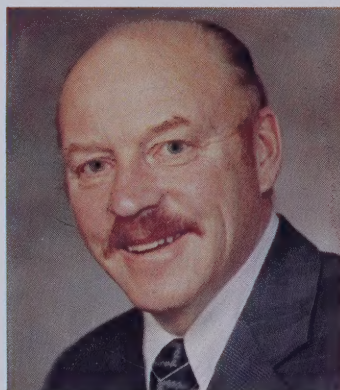


review of operations

	1974	*1973	% change
Total Revenue	\$98,643,657	\$69,442,977	+42.0
Net Income	7,562,886	4,738,453	+59.6
Cash Flow from Operations	7,000,852	4,576,389	+53.0
Net Income per Common Share	\$ 2.71	\$ 1.81	+49.7
Cash Flow per Common Share from Operations	\$ 2.51	\$ 1.75	+43.4
Common Shares Outstanding	2,843,066	2,610,165	+ 8.9
Equity Per Share (book value)	\$ 8.37	\$ 5.96	+40.0
Equity per Share including Appraisal Increment (see Note 6 to the Financial Statements)	\$41.51	\$26.16	+58.7
Equity per Share including Appraisal Increment after Tax, assuming 50% rate	\$24.94	\$16.06	+55.3

* 1973 figures reflect the three for two share split outlined in Note 8 to the Financial Statements.

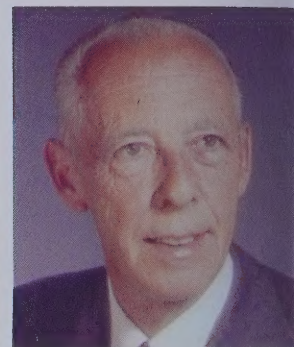
president's report to the shareholders



Ralph T. Scurfield



Richard C. Baxter



Olin E. Buker

As Calgary marks its Centennial Year, we at Nu-West are proud to have shared in its progress for almost thirty years. We salute Calgary and thank its citizens for the strong support they have given us. The support of the citizens of Alberta has helped us to form a base from which we have been able to expand to the major centers in British Columbia and Saskatchewan as well as Alberta.

REVENUE, EARNINGS UP

The year 1974 was one of substantial growth for your Company in terms of revenue, earnings and scope of operations. Revenue was \$98,643,657 compared to \$69,442,977 in 1973. Net income was \$7,562,886 or \$2.71 per share compared with \$4,738,453 or \$1.81 per share in 1973.

As an illustration of the growth of Nu-West it is interesting to note that the Company's revenue has increased more than five times since 1969, the year the Company first issued its shares to the public. In 1969 the Company's total revenue was \$18,000,000. By contrast, several of the Company's major divisions had 1974 revenues exceeding or approaching \$18,000,000. (Calgary Housing Division: \$36,000,000; Pacific Region: \$12,000,000; Edmonton Housing Division: \$15,000,000; Cairns Group: \$22,000,000).

NEW VENTURES

During 1974 Nu-West acquired 50% of the shares of Mayotte Construction Limited and its related companies. This group of companies was subsequently amalgamated under the name Mayotte Limited. Mayotte Limited is a diversified builder/developer, headquartered in Thunder Bay, Ontario and serving Thunder Bay and other northwestern Ontario centers.

DIVIDENDS

The Company's semi-annual dividend was increased at the time of the November payment to 15¢ per share, creating a total payment of 25¢ per Class A Convertible Share and 21.25¢ per Class B Convertible

Share in 1974. Since the shares were split during 1974 and three new shares issued for two old shares, the 1974 dividend was more than twice the dividend paid in the previous year.

PROFIT MARGINS

By putting its resources to work in more facets of its development and building activities, the net profit on each dollar of sales by Nu-West has increased over the past several years. In the years since Nu-West became a public company in 1969 it has acquired or developed a number of new activities forming parts of our product chain. Perhaps the most significant of these is our involvement in the land development industry, both with the Nu-West Land Division and through our increased interest in Carma Developers Ltd. We have become virtually self-sufficient in the supply of developed land. We now supply many of the building products used in our homes. We have a housing component manufacturing operation. We are an active real estate broker. We provide insurance as well as financial services to our homebuying customers. By engaging in many stages of the residential development process, we have been able to increase the profit on our sales dollar.

FINANCIAL REPORTING

In order to provide you with additional information on the activities and progress of Nu-West, we have, in addition to the normal financial reporting, prepared and included in this report additional information depicting the operations of Nu-West on a combined basis. The information prepared on a combined basis shows the results of Nu-West's operations combined with those of its affiliated companies. The statements prepared on a combined basis add to each category of assets and liabilities and to each item of income and expense, our proportionate share of the corresponding items in the financial statements of our affiliated companies. We hope that by providing this additional information you will obtain a more complete picture of our operations.



James Cairns



Harris G. Field



M. Rodney Gerla



Chesley J. McConnell



Werner D. Mross

OUTLOOK

Over the past four years, Canadian housing demands have exceeded all expectations. Although nearly one million new housing units have been produced in this four year period, housing remains in short supply. The national inventory of housing units completed and under construction is substantially below that at the same time last year. This is particularly apparent in the major centers of our operation. Apartment accommodation is almost fully occupied. These factors indicate that renewed upward pressure on rent and housing prices may occur in 1975. There are several positive trends which will assist the industry in resisting such upward pressures. Mortgage interest rates have been declining and we anticipate that an adequate supply of mortgage funds will be available during 1975. The lowering of the Federal Sales Tax on construction materials has been of assistance in maintaining lower price levels. The major challenge facing our industry in 1975 will be to provide more housing at a price affordable to a larger segment of our population.

The housing industry has traditionally been able to respond rapidly to increased demand. If the industry is to remain flexible in meeting consumer requirements, action is required to reverse the tendency toward increasing delays in obtaining planning and development approval.

Tax changes proposed in the 1974 Federal Budget include a surtax on income and provisions that would cause development companies to pay more tax by restricting their right to expense for tax purposes some of the legitimate costs of carrying their inventory.

With inflation constantly increasing the funds required to do the same volume of business, we feel it is essential that the tax burden be reduced in order to allow the industry to achieve real growth in capacity and maintain sufficient inventory to meet demands.

We expect that Federal Government policies designed to promote growth in the Canadian economy

will help both the economy and our industry. Despite these measures, overall housing starts in Canada this year are forecast to be somewhat less than in 1974. We expect, however, that the market areas in which we are operating will be strong enough to resist the overall decline.

Both the Alberta and Saskatchewan economies are strong. While the 222,123 starts recorded in Canada in 1974 were down 17% from the 1973 record total of 268,529, total urban starts in Saskatchewan increased by 15% over 1973. Alberta urban centers experienced a 17% decline in starts in 1974 when compared with 1973 figures, but only 7% of this decline was in single and semi-detached units, our main market. Strong demand for the resource and agricultural products of Alberta and Saskatchewan combined with new resource development and the encouragement of secondary industry all point to a continuing state of high employment in these provinces.

British Columbia suffered a slowdown in economic activity in 1974. This, coupled with high interest rates, resulted in a decline in housing demand. Urban residential housing starts dropped by 14.9% from 1973. Preliminary indications in 1975 point to an improvement in the British Columbia housing market. Nu-West's activities in British Columbia have become oriented to the condominium home market where prices remain within the reach of more potential homebuyers.

CONCLUSION

Nu-West is looking to 1975 as another year of expansion in its revenue as well as its financial base. Expansion will be possible only because the more than 1,000 people working on the Nu-West team are all dedicated to delivering to our customers the very best in quality, design, value and service.

On behalf of the Board,

Ralph T. Scurfield, President.

MAINTENANCE-FREE EXTERIORS

Freedom from one of the big chores of owning a home — repainting the exterior — is desired by nearly all homeowners in today's leisure-oriented society. That's why we equip many of our homes with aluminum siding. It's clean, attractive and virtually maintenance-free. We also use window casings and undereaves with baked-on finishes. Aluminum window frames are a standard feature.



ATTENTION TO INTERIOR DETAIL

Ease of maintenance, attractiveness and liveability are built into the interiors of Nu-West homes. Extensive use of broadloom, complemented by coved vinyl flooring and moulded marble sinks, make the homemaker's work easy and adds greatly to eye-appeal. Closet doors, normally the first part of a home to show wear, are made of tough, scratch-resistant metal. Temperature-controlled shower units mean steady temperatures without adjustment.



DESIGN SERVICE FOR CUSTOMERS

What colour of carpet would be best? What appliance colours should be chosen? Most Nu-West homebuyers receive expert help with these decisions from our own interior designers. With a custom-built home, designers work from the beginning with the customer to create an attractive interior fully in keeping with the tastes of the homebuyer.





WARRANTY PROTECTION

Nu-West has been a leader in developing long-term customer warranty and service policies. With the establishment on March 1, 1975 of the "Alberta New Home Certification Programme," Nu-West has joined with other Alberta builders to offer an industry-wide customer protection programme.

With careful construction, quality materials and thorough inspections that go into a Nu-West home, service problems are minimized. Whether there are problems or not, Nu-West makes four service calls automatically in the first year.

This service and protection gives the Nu-West homebuyer assurance that he can find with no other Canadian builder.



INNOVATIVE HOUSING

Always on the lookout for better ways to build homes Nu-West tests and adopts or rejects dozens of new products each year.

Nu-West also keeps in tune with innovative life styles. For example, in Vancouver we now build more condominium homes than single family homes. Condominiums are also gaining popularity in our other markets.



CREATIVE LAND DEVELOPMENT

Trees, parks, community centers and special amenities such as man-made streams are all part of life in a Nu-West developed community, where a total community concept is devised before the sod is turned for a single home.

Power lines are buried and pedestrian walkways replace lanes wherever economically feasible. All homes in a development, whether by Nu-West or other builders, are subject to strict architectural control to create a community that is harmonious in appearance and pleasant to live in.

THE LIVEABLE MOBILE HOME PARK

Those who choose mobile homes for housing desire attractive, well-designed surroundings. Nu-West recognized this when they developed Westview Village Mobile Home Community near Edmonton.

Good planning, good landscaping, and careful co-ordination and control of colouring combine to make Westview a beautiful place to live. As a result, a waiting list for sites in Westview has developed.

THE GUARANTEED SALES PROGRAM

A trade-in programme has made it easier to move up to a Nu-West home.

Nu-West Real Estate Ltd., a general real estate company, was formed in 1970 with major emphasis on handling trade-ins.

SPECIAL MORTGAGE FINANCING

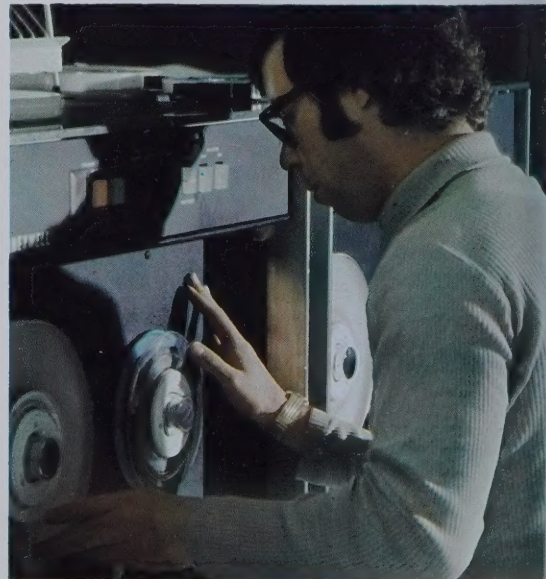
Nu-West enjoys its own source of secondary mortgage financing through the facilities of its subsidiary Nu-West Mortgage and Investments Ltd. Several types of special Nu-West financing are available to facilitate the purchase of a Nu-West home.

BETTER INSURANCE COVERAGE

Ashford Insurance Ltd., a wholly-owned Nu-West subsidiary, provides insurance on Nu-West homes while under construction, and then issues a policy to the new owner at the time of occupancy. Ashford also provides service to a long list of clients with a broad range of insurance needs.

KEEPING IN STEP WITH THE COMPUTER AGE

Nu-West's internal financial control systems are computerized through the facilities of Datamation Centres (1971) Ltd. Nu-West owns a substantial interest in Datamation.



To the Shareholders

We have examined the consolidated balance sheet of Nu-West Development Corporation Ltd. and subsidiaries as at December 31, 1974 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the Company and subsidiaries as at December 31, 1974 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We have also examined the combined balance sheet as at December 31, 1974 and the combined statements of income, retained earnings and changes in financial position of the Company and subsidiaries for the year then ended. Although these financial statements have not been prepared in accordance with generally accepted accounting principles, in our opinion, they present fairly and consistently the financial position of the Company and subsidiaries as at December 31, 1974 and the results of their operations and the changes in their financial position for the year then ended, in accordance with the basis described in Note 2 to the financial statements.

CALGARY, Alberta
March 10, 1975

Winifred Higgins Stevenson & Co.

Chartered Accountants.

DECEMBER 31, 1974

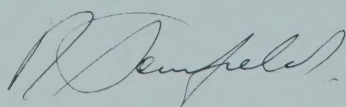
ASSETS

	Consolidated		Combined	
	1974	1973	1974	1973
Cash	\$ 467,212	\$ 748,268	\$ 837,569	\$ 858,446
Receivables, mortgage companies and customers	9,209,340	8,045,883	11,666,714	12,185,060
Houses and projects under construction and completed houses, including land, at cost (Note 6)	42,830,764	25,813,133	44,455,678	25,842,888
Developed construction sites, at cost (Notes 3 and 6)	18,197,061	14,028,699	16,137,408	12,715,719
Subdivisions under development (Notes 6 and 11)	5,283,141	3,180,949	11,133,015	6,750,725
Investments (Note 4)	10,149,326	7,460,450	2,106,009	1,822,756
Land held for development (Notes 5 and 6)	36,202,955	15,217,095	54,071,463	25,616,735
Mortgages on houses sold by the Company	1,949,805	1,402,105	1,949,805	1,402,105
Rental properties under construction (Notes 6 and 11)	693,008	466,284	693,008	466,284
Rental properties, at cost less accumulated depreciation \$566,760; 1973 — \$426,258 (Combined \$643,938; 1973 — \$426,258) (Note 6)	12,543,491	12,500,004	15,651,826	12,898,657
Buildings and equipment, at cost less accumulated depreciation \$725,655; 1973 — \$551,086 (Combined \$958,901; 1973 — \$639,722)	842,180	645,044	1,485,445	1,203,166
Organization and financing costs, less amortization \$116,851; 1973 — \$49,280 (Combined \$139,851; 1973 — \$54,104)	296,024	153,355	323,024	183,355
	<u>\$138,664,307</u>	<u>\$89,661,269</u>	<u>\$160,510,964</u>	<u>\$101,945,896</u>

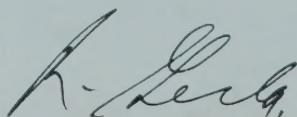
The accompanying notes form part of this statement.

ON BEHALF OF THE BOARD,

Director



Director



LIABILITIES

	Consolidated		Combined	
	1974	1973	1974	1973
Bank indebtedness (Note 11)	\$ 12,594,039	\$ 8,760,532	\$ 14,919,302	\$ 9,334,249
Payables and accruals	26,680,995	21,624,087	28,972,948	24,695,139
Mortgage advances and customer deposits	27,873,805	11,970,064	28,374,264	11,970,064
Income taxes	3,374,412	2,672,161	4,089,698	3,322,001
Deferred income taxes	4,816,521	4,148,773	6,654,289	5,642,356
Long term debt (Note 7)	39,445,344	24,812,365	53,621,272	31,308,800
Deferred income on sale of rental property subject to leaseback agreement	78,805	118,225	78,805	118,225
	114,863,921	74,106,207	136,710,578	86,390,834

SHAREHOLDERS' EQUITY

Share capital (Note 8)				
Authorized — not to exceed \$10,000,000				
/ 4,500,000 Class A Convertible shares without nominal or par value				
4,500,000 Class B Convertible shares without nominal or par value				
Issued				
1,657,611 Class A Convertible shares and 1,185,455 Class B Convertible shares for a consideration of	4,810,850	3,425,201	4,810,850	3,425,201
Retained earnings	18,989,536	12,129,861	18,989,536	12,129,861
	23,800,386	15,555,062	23,800,386	15,555,062
	\$138,664,307	\$89,661,269	\$160,510,964	\$101,945,896

statements of income

YEAR ENDED DECEMBER 31, 1974

	Consolidated		Combined	
	1974	1973	1974	1973
Revenue				
Housing	\$83,442,184	\$55,495,545	\$83,803,111	\$52,060,815
Land	7,976,601	10,873,590	16,002,969	17,482,955
Rental	2,290,844	1,862,635	2,560,054	1,862,635
Other	4,934,028	1,211,207	6,878,534	2,054,184
	<u>98,643,657</u>	<u>69,442,977</u>	<u>109,244,668</u>	<u>73,460,589</u>
Cost of sales and operating expenses	82,234,865	60,485,869	88,512,659	62,062,987
Interest (Note 9)	3,599,291	1,731,224	4,389,168	1,824,248
Depreciation	401,067	251,537	539,907	306,481
Amortization of organization and financing costs	67,571	15,206	71,571	18,686
	<u>86,302,794</u>	<u>62,483,836</u>	<u>93,513,305</u>	<u>64,212,402</u>
Net income from operations	12,340,863	6,959,141	15,731,363	9,248,187
Income taxes	6,436,977	3,453,795	8,168,477	4,594,649
Net income before the undernoted	5,903,886	3,505,346	7,562,886	4,653,538
Equity in net income, after income taxes, of Carma Developers Ltd. and other affiliates	1,659,000	1,148,192	—	—
Non-recurring gain on conversion of investments, less income taxes	—	84,915	—	84,915
Net income (Note 13)	<u>\$ 7,562,886</u>	<u>\$ 4,738,453</u>	<u>\$ 7,562,886</u>	<u>\$ 4,738,453</u>

The accompanying notes form part of this statement.

statements of retained earnings

YEAR ENDED DECEMBER 31, 1974

	Consolidated		Combined	
	1974	1973	1974	1973
Balance, January 1	\$12,129,861	\$ 7,652,031	\$12,129,861	\$ 7,652,031
Net income	7,562,886	4,738,453	7,562,886	4,738,453
	<u>19,692,747</u>	<u>12,390,484</u>	<u>19,692,747</u>	<u>12,390,484</u>
Dividends paid	703,211	260,623	703,211	260,623
Balance, December 31	<u>\$18,989,536</u>	<u>\$12,129,861</u>	<u>\$18,989,536</u>	<u>\$12,129,861</u>

statements of changes in financial position

YEAR ENDED DECEMBER 31, 1974



	Consolidated		Combined	
	1974	1973	1974	1973
Source of funds				
Net income	\$ 7,562,886	\$ 4,738,453	\$ 7,562,886	\$ 4,738,453
Add:				
Deferred income taxes	667,748	859,125	1,011,933	1,620,654
Depreciation and amortization	468,638	266,743	611,478	325,167
	<u>8,699,272</u>	<u>5,864,321</u>	<u>9,186,297</u>	<u>6,684,274</u>
Deduct:				
Equity in net income, after income taxes, of Carma Developers Ltd. and other affiliates	1,659,000	1,148,192	—	—
Deferred income on sale of rental property	39,420	39,534	39,420	39,534
Non-recurring gain on conversion of investments	—	100,206	—	100,206
	<u>1,698,420</u>	<u>1,287,932</u>	<u>39,420</u>	<u>139,740</u>
Cash flow from operations	7,000,852	4,576,389	9,146,877	6,544,534
Increase in				
Bank indebtedness	4,114,563	(2,149,472)	5,605,930	(1,448,496)
Payables and accruals	5,056,908	10,632,974	4,277,809	12,656,190
Mortgage advances and customer deposits	15,903,741	3,942,950	16,404,200	3,942,950
Income taxes payable	702,251	2,672,161	767,697	2,854,827
Long term debt	14,632,979	3,694,357	22,312,472	7,868,378
Deferred income taxes of subsidiary company acquired	—	253,084	—	253,084
Conversion of debentures payable	1,248,000	—	1,248,000	—
Exercise of options on shares	137,649	85,174	137,649	85,174
Issue of shares	—	175,000	—	175,000
Decrease in				
Income taxes recoverable	—	1,209,953	—	1,209,953
	<u>\$48,796,943</u>	<u>\$25,092,570</u>	<u>\$59,900,634</u>	<u>\$34,141,594</u>
Use of funds				
Increase in				
Receivables	\$ 1,163,457	\$ 410,889	\$ (518,346)	\$ 2,530,750
Work in progress and developed construction sites	21,185,993	15,004,876	22,034,479	14,206,193
Subdivisions under development	2,102,192	(784,311)	4,382,290	1,024,772
Investments	1,029,876	743,872	283,253	15,841
Land held for development	20,985,860	8,069,939	28,454,728	14,090,178
Mortgages on houses sold by the Company	547,700	(495,966)	547,700	(495,966)
Rental properties under construction	226,724	466,284	226,724	466,284
Rental properties (net)	183,989	1,122,994	2,970,849	1,623,397
Buildings and equipment (net)	457,701	293,370	590,330	418,358
Organization and financing costs	210,240	—	225,416	1,164
Dividends paid	703,211	260,623	703,211	260,623
	<u>\$48,796,943</u>	<u>\$25,092,570</u>	<u>\$59,900,634</u>	<u>\$34,141,594</u>

1. ACCOUNTING POLICIES — CONSOLIDATED BASIS

- A) The Company's accounting policies are substantially in accordance with the recommendations of the Canadian Institute of Chartered Accountants and the Canadian Institute of Public Real Estate Companies.
- B) Revenue
- i) Housing
Revenue is recorded when each house is completed and accepted by the purchaser.
 - ii) Land
 - a) Revenue on developed construction sites used in housing production is recorded on the same basis as housing revenue.
 - b) Revenue on developed construction sites and other land sold to outsiders is recorded at the time the following criteria is met:
 - 1) the agreement of purchase and sale is unconditional,
 - 2) an appropriate downpayment of not less than 15% of the purchase price has been received, and
 - 3) the purchasers' financial stability is satisfactory.
 - iii) Rental and other
Revenue is recorded as it is earned.
- C) Capitalization of costs
- i) Houses and projects under construction
Interest on mortgage advances, property taxes and related development costs are capitalized during construction and for six months after completion. Interest subsequent to this period is charged to operations as incurred.
 - ii) Land held for development
Costs are capitalized for direct interest, property taxes and overhead. In addition the company allocates interest on that portion of total costs financed by general borrowings.
 - iii) Rental properties
Interest and related development costs are allocated to each project until such time as the project is 100% occupied or six months after the initial occupancy, whichever occurs first.
- D) Depreciation and amortization
- i) The Company follows the sinking fund method of accounting for depreciation of rental properties. Under this method building costs are being written off over the estimated useful life in annual amounts increasing at the rate of 5% compounded annually. The estimated useful life is 50 years for office and major apartment buildings, 40 years for town houses and smaller rental units, and 30 years for mobile home parks. Other buildings and equipment are depreciated on the diminishing balance basis.
 - ii) The Company amortizes the costs of equity financing on a straight line basis over a 10-year period. Costs related to redemption of debt are amortized over the term of the replacement debt.
- E) Deferred income taxes
Deferred income taxes are recorded with respect to:
- i) capital cost allowance claimed in excess of depreciation recorded in the accounts,
 - ii) utility costs expended on the development of subdivisions,
 - iii) interest, property taxes and overhead on land,
 - iv) financing costs on houses and projects under construction, and
 - v) organization and financing costs.

ACCOUNTING POLICIES — COMBINED BASIS

- A) The accounting policies of the Company's affiliates which are included in the combined financial statements are substantially the same as those of the Company. For reference to the combined basis of accounting see Note 2.

2. ACCOUNTING PRESENTATION

The Company's financial statements are presented on two bases:

- A) The consolidated financial statements include:
- i) the assets and liabilities of all of the Company's subsidiaries,
 - ii) the results of operations of all the Company's subsidiaries which includes the results of operations for the thirteen months ended December 31, 1974 of Cairns Homes (1972) Ltd.,
 - iii) the proportionate share of the assets, liabilities, income and expenses of the Company's interest in unincorporated joint ventures, and
 - iv) the proportionate share of the net income or losses of companies in which the Company has a substantial interest. The value of these investments has been adjusted to reflect the Company's equity in the book values of the underlying net assets of these companies.
- B) The combined financial statements have been prepared to provide additional financial information on the balance sheet and the statements of income and changes in financial position. These financial statements include the consolidated accounts mentioned above together with the Company's proportionate share of the individual assets, liabilities, income and expenses and changes in financial position of Carma Developers Ltd. and other affiliates.

The difference between the two bases of presentation is that under the combined basis the investment in Carma Developers Ltd. and other affiliates is replaced by a proportionate share of the individual assets and liabilities of these companies and the equity in net income of Carma Developers Ltd. and other affiliates is replaced by a proportionate share of the individual income and expense accounts. Net earnings for the year are the same under both bases.

3. DEVELOPED CONSTRUCTION SITES

	Consolidated		Combined	
	1974	1973	1974	1973
Option deposits included in developed construction sites	\$230,254	\$ 271,065	\$230,254	\$ 54,180
Additional expenditure required to acquire construction sites under option	\$895,794	\$3,590,874	\$895,794	\$1,294,190

4. INVESTMENTS

	Consolidated		Combined	
	1974	1973	1974	1973
Marketable 619,300 common shares of Carma Developers Ltd. (1973 — 597,500) (Market Value \$4,644,750; 1973 — \$5,302,800)				
Share of equity, January 1	\$ 3,812,269	\$ 2,660,087	\$ —	\$ —
Share of net income	1,480,462	1,114,015	—	—
Elimination of intercompany profits and other adjustments	(122,582)	(109,777)	—	—
Equity value of shares acquired	147,456	147,944	—	—
Dividends received	(61,800)	—	—	—
Share of equity, December 31	5,255,805	3,812,269	—	—
Excess of cost of shares over equity value at date of acquisition	1,308,235	1,225,345	—	—
Book value	6,564,040	5,037,614	—	—

4. INVESTMENTS (continued)

	Consolidated		Combined	
	1974	1973	1974	1973
Non-marketable				
Common shares				
Share of equity, January 1	239,653	243,926	—	—
Share of net income	222,177	69,285	—	—
Equity value of shares acquired	227,011	13,760	—	—
Equity value of shares sold	—	(71,946)	—	—
Dividends received	(11,175)	(15,372)	—	—
Share of equity, December 31	677,666	239,653	—	—
Excess of cost of shares over equity value at date of acquisition	535,433	—	—	—
Book value	1,213,099	239,653	—	—
Total marketable and non-marketable common shares	7,777,139	5,277,267	—	—
Other, at cost				
Common and preferred shares	—	—	35,115	60
8% convertible debentures of Carma Developers Ltd.	1,213,120	1,213,120	212,360	229,705
Interest bearing loans	629,067	68,144	314,534	34,072
Interest bearing agreements for sale	530,000	901,919	1,544,000	1,558,919
	<u>\$10,149,326</u>	<u>\$ 7,460,450</u>	<u>\$2,106,009</u>	<u>\$1,822,756</u>

5. LAND HELD FOR DEVELOPMENT

	Consolidated		Combined	
	1974	1973	1974	1973
Land and development costs, at the lower of cost or market	\$34,472,306	\$14,410,437	\$50,919,643	\$23,835,419
Costs capitalized during the year				
Property taxes	184,028	111,540	311,288	172,858
Administrative and general operating expenses	232,517	75,123	321,501	101,668
Interest	1,110,944	599,452	1,603,323	938,303
	<u>1,527,489</u>	<u>786,115</u>	<u>2,236,112</u>	<u>1,212,829</u>
Deduct:				
Amounts transferred to subdivisions under development	120,606	123,407	200,858	182,742
	<u>1,406,883</u>	<u>662,708</u>	<u>2,035,254</u>	<u>1,030,087</u>
	35,879,189	15,073,145	52,954,897	24,865,506
Option deposits	323,766	143,950	1,116,566	751,229
	<u>\$36,202,955</u>	<u>\$15,217,095</u>	<u>\$54,071,463</u>	<u>\$25,616,735</u>
	Consolidated		Combined	
	1974	1973	1974	1973
Additional expenditure required to acquire the land under option	\$ 7,537,755	\$ 5,900,845	\$11,663,635	\$10,657,605

6. APPRAISALS

Substantially all of the Company's houses and projects under construction, completed houses and developed construction sites together with all subdivisions under development, land held for development, rental properties and rental properties under construction were appraised by J. C. Leslie, A.A.C.I., of J. C. Leslie & Co. Ltd., Appraisers and Real Estate Consultants, Calgary, Alberta, as at December 31, 1974. The following table shows the appraised value of these assets and in addition shows the Company's proportionate share of the appraised value of assets of the same character owned by Carma Developers Ltd. and Mayotte Limited based on appraisals also made by J. C. Leslie.

	Consolidated			Combined
	Property held by the Company	Share of property held by Carma Developers Ltd. and Mayotte Limited	Total	
Appraised value				
Houses and projects under construction and completed houses, developed construction sites and subdivisions under development	\$ 91,976,554	\$14,381,127	\$106,357,681	\$105,324,293
Land held for development	72,739,132	39,323,428	112,062,560	110,017,618
Rental properties and rental properties under construction	18,107,373	3,298,750	21,406,123	21,690,415
	<u>\$182,823,059</u>	<u>\$57,003,305</u>	<u>\$239,826,364</u>	<u>\$237,032,326</u>
Excess of appraised value over book value				
Houses and projects under construction and completed houses, developed construction sites and subdivisions under development	\$ 25,665,588	\$ 6,992,629	\$ 32,658,217	\$ 33,598,192
Land held for development	36,536,177	19,685,502	56,221,679	55,946,155
Rental properties and rental properties under construction	4,870,874	474,707	5,345,581	5,345,581
	<u>\$ 67,072,639</u>	<u>\$27,152,838</u>	<u>\$ 94,225,477</u>	<u>\$ 94,889,928</u>

Houses and projects under construction which are pre-sold are included in the appraised value at their contract selling price.

The appraisals include no provision for selling and administrative expenses related to the completion and sale of the above assets.

Certain land held for future development by Carma Developers Ltd. in and adjacent to an area that has been proposed as a major park by the City of Calgary has been appraised on the basis of its value assuming it is available for development.

The combined appraised value includes certain assets of affiliates, other than Carma Developers Ltd. and Mayotte Limited, at book value.

7. LONG TERM DEBT

	Consolidated		Combined	
	1974	1973	1974	1973
Payable on land held for development				
Agreements for sale and mortgages bearing interest at rates varying from 0% to 14½%	\$16,603,065	\$ 4,567,641	\$24,617,787	\$ 8,751,148
Agreements for sale				
The agreements arise from the acquisition of shares of certain subsidiary companies and are secured. The agreements bear interest at rates varying from 5% to 8%	2,750,083	2,819,908	2,750,083	2,819,908
Notes payable				
The notes payable bear interest at 8% (Combined — 7½% to 15%)	3,710	477,335	388,555	622,610
Mortgages payable				
Mortgages bear interest at rates varying from 6¾% to 13% and mature at varying dates between 1975 and 2021	10,088,486	10,447,481	12,727,245	10,581,506
Term bank loan				
The term bank loan bears maximum interest of 1½% above the prime bank rate. To secure this loan, which is evidenced by promissory notes, the Company has hypothecated by way of collateral security, a first floating charge debenture	10,000,000	3,500,000	13,137,602	5,533,628
8¾% Subordinated Convertible Debentures, Series A				
The debentures, which mature in 1991, are secured by a floating charge which ranks second to the security of the term loan. These debentures are subject to certain sinking fund requirements which commence in 1982. The debentures may be converted into common shares on the basis of 95 shares for each \$1,000 of debenture principal up to and including June 15, 1976, and 85 shares for each \$1,000 of debenture principal for the period from June 16, 1976 up to and including June 15, 1981	—	3,000,000	—	3,000,000
	\$39,445,344	\$24,812,365	\$53,621,272	\$31,308,800

7. LONG TERM DEBT (continued)

Repayments over the next five years amount to:	Consolidated	Combined
	1974	1974
1975	\$ 5,305,130	\$ 7,716,808
1976	3,543,479	5,197,391
1977	3,361,060	4,936,148
1978	2,181,928	3,777,801
1979	2,540,293	4,612,760
1980 and subsequent	22,513,454	27,380,364
	<u>\$39,445,344</u>	<u>\$53,621,272</u>

8. SHARE CAPITAL

- During the year 55,060 shares were issued pursuant to the Company's stock option plan for \$137,649.
- The Company has a stock option plan under which options on 13,579 shares are outstanding. The options have been granted to full time employees, including certain senior officers, at an option price of \$2.50 per share.
- On March 18, 1974, 118,560 shares of the Company were issued on conversion of the 8¾% subordinated convertible debentures, described in Note 7, in the principal amount of \$1,248,000.
- At the Annual General Shareholders' Meeting held April 30, 1974 the shareholders approved the restructuring of the Company's common shares into 4,500,000 Class A Convertible and 4,500,000 Class B Convertible which are fully inter-changeable. In addition, the shareholders approved a share split. For each two (2) existing shares held at the time, they would be deemed to hold three (3) new Class A Convertible shares.
- At December 31, 1973 the issued share capital was 1,740,110 shares which is equivalent to 2,610,165 of the existing convertible shares.

9. INTEREST

	Consolidated		Combined	
	1974	1973	1974	1973
Interest on long term debt	\$2,734,272	\$2,154,617	\$3,834,337	\$2,550,533
Other interest	1,975,963	176,059	2,158,154	212,018
	<u>4,710,235</u>	<u>2,330,676</u>	<u>5,992,491</u>	<u>2,762,551</u>
Less:				
Interest applicable to land held for development	1,110,944	599,452	1,603,323	938,303
Interest expense	<u>\$3,599,291</u>	<u>\$1,731,224</u>	<u>\$4,389,168</u>	<u>\$1,824,248</u>

10. REMUNERATION TO DIRECTORS AND SENIOR OFFICERS

The aggregate direct remuneration to directors and senior officers, numbering thirteen, amounted to \$610,185 for the year, which amount included \$16,950 in directors' fees. In addition, legal fees of \$8,600 were paid to the firm of barristers and solicitors of which one of the directors is a partner.

11. CONTINGENT LIABILITIES AND COMMITMENTS

- The bank indebtedness is secured by a general assignment of receivables and mortgages receivable, shares and debentures of Carma Developers Ltd. and floating charge debentures.
- The Company is contingently liable with respect to letters of credit issued by a chartered bank totalling \$878,914. The letters of credit have been issued in lieu of performance deposits.
- The Company is committed to spend an estimated additional \$1,335,719 (Combined — \$2,395,798) to complete subdivisions under development in accordance with development agreements entered into with various municipal governments. The cost to complete the rental property under construction is estimated at \$462,100.
- The Company is contingently liable with respect to guaranteed bank loans of affiliates in the amount of \$1,579,850.

12. SUBSEQUENT EVENTS

- a) On February 28, 1975 the Company exercised its option to convert \$648,790 in debentures to 64,879 shares of Carma Developers Ltd. Following the conversion of these debentures the Company owned 684,179 of the 1,714,881 outstanding shares of Carma Developers Ltd. representing 39.9%.
- b) By February 28, 1975 all stock options had been exercised (Note 8).

13. EARNINGS PER SHARE

	Consolidated	
	1974	1973
Earnings — before extraordinary item	\$2.71	\$1.78
— after extraordinary item	2.71	1.81
Diluted earnings	2.65	1.68
The following number of shares is used to calculate diluted earnings:		
Shares issued and outstanding	2,843,066	2,610,165
Stock options outstanding	13,579	73,691
Shares issued on conversion of 8¾ % debentures	—	177,840
	<u>2,856,645</u>	<u>2,861,696</u>

At December 31, 1974 the earnings per share are based on the weighted average number of shares which is the average number of shares outstanding during the year after the conversion of the 8¾ % debentures and share options exercised. The earnings per share for 1973 are restated to reflect the issue of three shares for each two shares that was approved by the shareholders on April 30, 1974 (Note 8).

14. ADDITIONAL INFORMATION

	Consolidated	
	1974	1973
The following presentation sets out the working capital of the Company.		
Current assets	\$90,035,555	\$54,510,366
Current liabilities	76,729,323	49,247,118
Working capital	<u>\$13,306,232</u>	<u>\$ 5,263,248</u>

	Consolidated			
	1974		1973	
	Current	Non-Current	Current	Non-Current
In determining working capital, the following assets and liabilities have been segregated between current and non-current.				
i) interest bearing agreement for sale . . .	\$ 514,777	\$ 15,223	\$ 291,667	\$ 610,252
ii) land held for development	13,455,260	22,747,695	2,335,767	12,881,328
iii) mortgages on houses sold	78,000	1,871,805	66,000	1,336,105
iv) deferred income taxes	900,942	3,915,579	1,586,985	2,561,788
v) long term debt	5,305,130	34,140,214	2,633,289	22,179,076



CALGARY HOUSING

The well-established Calgary market once again proved to be the Company's most active with 844 homes delivered to customers in 1974.

As in other cities, rising land costs are dictating a swing to more multiple-family units. The year 1974 marked our entry into condominium building in Calgary, with the development of Chateaux on the Green, a 55 unit luxury development surrounded by the Silver Springs Golf Course. The Calgary Housing Division expect condominiums to constitute at least 25% of its market in 1975.

All administrative, design and marketing functions of the Calgary Housing Division have been centralized in the Nu-West Building to create greater efficiency and better customer service through centralized control.

EDMONTON HOUSING

The Edmonton Housing Division had a successful year with net income substantially above that of 1973. Nu-West's building programme was hampered by a shortage of lots during 1974, but an active acquisition programme has assured an adequate supply of lots for 1975.

Construction and sales activities were concentrated in the St. Albert, Castle Downs, Fort Saskatchewan, Hermitage, Clareview, Sherwood Park and Primrose subdivisions. In 1975 Nu-West building operations in the Edmonton market will be expanded to include activity in the Ermineskin, Blue Quill, Mill Woods and Belmead subdivisions.

PACIFIC REGION HOUSING

Nu-West Housing operations in British Columbia during 1974 included the construction and sale of both single family homes and the more recently popular townhouse condominium development. Vancouver area operations of Nu-West recorded 267 sales during 1974. Included was a 127-unit condominium located in Surrey which was purchased by the Province of British Columbia as part of its programme for providing homes for lower income groups. During 1975 Nu-West plans to develop and sell a number of condominium and government assisted projects.

RESOURCE COMMUNITY & CONTRACTS DIVISION

The Resource Community and Contracts Division undertook an active programme of construction in resource areas of both British Columbia and Alberta. A major contract was obtained from Northward Developments Ltd., a subsidiary of Syncrude Canada Ltd. for the construction of 170 homes at Fort McMurray, Alberta. Twenty-one of the homes were occupied before the year end, with the balance to be occupied in 1975.

INCOME PROPERTIES

As housing sales declined in the second half of 1974, the rental market boomed. The vacancy rate in Nu-West's 920 rental units in Calgary dropped from approximately eight per cent early in 1974 to two per cent as the year closed. A continued strong rental market is expected in 1975.

NU-WEST LAND DIVISION

Revenue from the sale of 485 serviced building sites and 11.16 acres of zoned land was recorded during 1974. Development activities continued in Calgary, Edmonton, Vancouver and Kamloops.

The now well-developed trend towards greater public and governmental involvement in the land development process has caused a noticeable increase in the time required to obtain planning and development approvals and a consequent decrease in the production of building sites. The Nu-West Land Division did not escape the effects of this trend. Although it did not meet its production targets in 1974 the Division nevertheless continued to operate profitably.

During 1974 an additional 1,336 acres of land for future development were acquired.

Major acquisitions included 703 acres in St. Albert, Alberta being developed as a joint venture with Carma Developers Ltd., and 227 acres of industrial land in the Vancouver area municipality of Richmond, British Columbia.

The Nu-West Land Division is pursuing an ambitious programme of production and sales in 1975.



Land Held for Development — December 31, 1974

Location	No. of Parcels	Acreage	(Approximate Development Schedule)			
			1975 (acres)	1976 (acres)	1977 (acres)	1978 - 1985 (acres)
CALGARY	55	2,341				1,616
— Residential			60	230	415	
— Commercial & Industrial			12	4	4	
EDMONTON	13	1,068				666
— Residential			50	150	200	
— Commercial			2	—	—	
VANCOUVER	19	646				
— Residential			60	85	85	158
— Industrial			—	67	38	153
KAMLOOPS	2	685				
— Residential			—	14	—	
— Proposed Industrial			114	114	114	329
REGINA	15	1,740				1,135
— Residential			190	215	200	
SASKATOON	3	117				
— Residential			—	20	20	77
TOTAL	107	6,597				

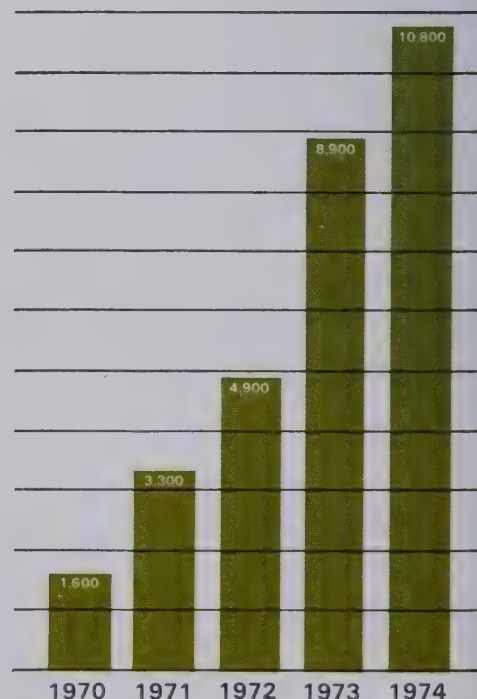
The above development schedule is approximate. Development Schedules cannot be precisely determined until development agreements have been finalized on all parcels.

Proportionate Share of 10,300 acres held by Carma Developers Ltd. (Nu-West share = 38.27% on December 31, 1974) — 3,942.

Proportionate Share of 424 acres held by Mayotte Ltd. — 212.

Total Acreage held for Development — 10,751 acres.

LAND BANK (acres)



Undeveloped land held by Nu-West Development Corporation Ltd. including its proportionate share of land held by affiliates

subsidiaries and affiliates

CAIRNS GROUP OF COMPANIES:



HOUSING

The Cairns Companies, wholly owned by Nu-West, recorded 645 occupancies during 1974, for a sales volume of \$22,000,000, up 34% from 1973.

Cairns added a fifth centre, Calgary, to complement its operations in Regina, Saskatoon, Edmonton and Red Deer. With its volume and widespread markets, Cairns must be recognized as one of Western Canada's largest builders.

Cairns provides a full range of size and style of homes to its many customers. It has also been an active participant in government sponsored programmes designed to provide homes for lower income groups.

LAND DEVELOPMENT

During 1974 the Cairns Land Division was able to develop sufficient lots to provide for Cairns' own requirements as well as enabling it to market a number of lots to other home builders. It is anticipated that this practise will continue in future years.

A substantial land bank in Regina provides a base for development of a full range of lots, from low priced to prestige. During 1974, 245 lots were developed having a sales value of \$1,600,000.

Land positions have been established in other centers to provide a steady source of building lots for use by the Cairns Housing Divisions.

LUMBER AND PREFABRICATION

The lumber and prefabrication division, Wholesale Industries Limited, continued to serve the needs of the Regina Housing operations, as well as other contractors throughout Southern Saskatchewan.

Specialized buildings and equipment for the farm trade also provided a large share of the \$4,500,000 1974 volume.



Mayotte Garden Apartments, Thunder Bay.

MAYOTTE LIMITED

In May, 1974 Nu-West acquired a 50% interest in Mayotte Construction Limited and its related companies. The Mayotte group of companies amalgamated on December 31, 1974 and now are known as Mayotte Limited.

Head office is in Thunder Bay, Ontario with branch offices in several Northwestern Ontario communities.

The Mayotte family has been in construction for 40 years, and for the past 20 years has been building homes and developing land. They have designed and constructed apartment buildings, townhouses, semi-detached and single family units for rent and sale throughout Northwestern Ontario.

NU-WEST REAL ESTATE LTD.

Expansion by the addition of two sales offices in Calgary and one in Edmonton was undertaken during 1974 by Nu-West Real Estate Ltd. It now has three offices in Calgary and two in Edmonton.

In 1974 a Commercial and Income Properties division was established. This new division was established to develop and market commercial and industrial projects, an activity Nu-West intends to pursue more aggressively.

Sales dollar volume increased by 118% over that of 1973 and the number of trade-ins grew by 31%, to 240.



Mayotte semi-detached home, Thunder Bay.

CARMA DEVELOPERS LTD.

At March 1, 1975 Nu-West owned 39.9% of the outstanding shares of Carma Developers Ltd., a public company listed on the Toronto Stock Exchange. Carma is primarily involved in residential land development.

During 1974, Carma's operations were centered in Calgary, Edmonton, Vancouver, Prince George and Hamilton. Because the right to purchase Carma's production of building sites is tied to the ownership of Carma shares, our association with Carma assures us a substantial and stable supply of building sites, complementing our own land development activities.

Current Carma holdings of land for future development total 10,300 acres. Sales of serviced building sites during the past year totalled 1,159, for a sales volume of \$23,528,000. Net income was \$3,871,000.

Nu-West's proportionate share of Carma's net income is included in our financial statements.



Kim Lawrence



Levonne Louie

Nu-West continued to meet its obligation to its communities through its Corporate Responsibility Programme, a programme which is dedicated to improving the environment and lifestyles of the persons who are part of or come into contact with Nu-West. During the year we were able to assist a number of junior sports activities in several different communities and contribute to a number of other community programmes. In addition to its present support of educational endeavors Nu-West established two \$1,000 University Entrance Scholarships for the benefit of children of Nu-West employees. The Association of Universities and Colleges of Canada selects the winners based upon the candidates' academic achievements.

The 1974 winners of the award were 18 year old Levonne Louie and 18 year old Kim Lawrence, both of Calgary.

NOTE OF APPRECIATION

Two of our directors will be retiring from the Board immediately prior to the Annual General Meeting in April. Mr. Olin Buker who has served the Company as a Director since 1970, recently retired as a partner of Richardson Securities of Canada. In order to ensure the complete enjoyment of his newly found leisure time, he has decided not to stand for re-election to the Board. I would like to take this opportunity to thank Mr. Buker for his contributions to Nu-West. Mr. W. D. Mross, a Vice-President of Nu-West, will be retiring from the Board in line with the Company's long standing policy of rotating the management members of the Board. I wish to express my appreciation to Mr. Mross and look forward to having the opportunity to benefit from his service on the Nu-West Board in future years.



Ralph T. Scurfield.



five year quarterly performance

	1974	1973	1972	1971	1970
SALES (\$000)					
1st Quarter	\$22,148	\$12,388	\$ 7,135	\$ 6,751	\$ 3,204
2nd Quarter	25,395	17,670	13,526	9,725	10,209
3rd Quarter	24,534	20,312	19,426	12,486	6,493
4th Quarter	26,567	19,073	17,858	8,397	7,808
	98,644	69,443	57,945	37,359	27,714
NET INCOME (\$000)					
1st Quarter	\$ 1,755	\$ 603	\$ 207	\$ 105	\$ 50
2nd Quarter	2,047	1,157	410	327	279
3rd Quarter	2,353	1,132	748	463	209
4th Quarter	1,408	1,846	748	291	373
	7,563	4,738	2,113	1,186	911
*EARNINGS PER SHARE (No Dilution) (\$)					
1st Quarter . . . . .	.64	.23	.08	.04	.02
2nd Quarter . . . . .	.72	.45	.16	.13	.11
3rd Quarter . . . . .	.85	.43	.29	.18	.08
4th Quarter . . . . .	.50	.70	.30	.12	.16
	2.71	1.81	.83	.47	.37

* Earnings Per Share reflect the three for two share split outlined in Note 8 to the Financial Statements.

DIRECTORS

Richard C. Baxter,
Vancouver, B.C.
President, The Baxter Group

Olin E. Buker,
Calgary, Alberta,
Special Representative,
Richardson Securities of Canada

D. James Cairns
Calgary, Alberta
Chairman of the Board,
Cairns Homes (1972) Ltd.

Harris G. Field, Q.C.,
Edmonton, Alberta,
Partner, Field Owen,
Barristers and Solicitors

M. Rodney Gerla,
Calgary, Alberta,
Vice-President,
Nu-West Development Corporation Ltd.

Chesley J. McConnell,
Edmonton, Alberta

Werner D. Mross,
Calgary, Alberta
Vice-President,
Nu-West Development Corporation Ltd.

Ralph T. Scurfield,
Calgary, Alberta,
President,
Nu-West Development Corporation Ltd.

OFFICERS

R. T. Scurfield,
President

M. R. Gerla,
Vice-President

B. A. Lawrence,
Vice-President

W. D. Mross,
Vice-President

G. D. Santini,
Vice-President

John H. Shields,
Vice-President and Treasurer

Douglas B. Watson,
Secretary and General Counsel

Garnet K. Wells,
Corporate Controller & Assistant Treasurer

CALGARY OFFICE: (corporate head office)

Nu-West Building,
301 - 14 Street N.W.
Calgary, Alberta T2P 1R6
Telephone: (403) 283-0711

EDMONTON OFFICE:

11641 - 149 Street
Edmonton, Alberta T5M 3R3

VANCOUVER OFFICE:

12650 - 82nd Avenue
Surrey, British Columbia V3S 2L1

KAMLOOPS OFFICE:

141 Victoria Street
Kamloops, British Columbia V2C 1Z5

CAIRNS HOMES (1972) LTD.

Head Office
2115 Broad Street
Regina, Saskatchewan S4P 3H1

MAYOTTE LIMITED

Head Office
555 - 16th Avenue
Thunder Bay, Ontario P7B 2S2

TURNER LUMBER AND SUPPLIES LTD.

12600 - 156 Street
Edmonton, Alberta T5L 4J2
515 Heritage Drive S.W.
Calgary, Alberta T2J 2V8

Subsidiaries & Affiliates

Carma Developers Ltd.	39.9%
Nu-West Construction Products Ltd.	100
Nu-West Mortgage and Investments Ltd.	100
Nu-West Real Estate Ltd.	100
Ashford Insurance Services Ltd.	100
Cairns Homes (1972) Ltd.	100
Mayotte Ltd.	50

Nu-West has a substantial but non-controlling interest in Datamation Centres (1971) Ltd., B. A. Lawrence & Associates Ltd., and Turner Lumber & Supplies Ltd.

AUDITORS

Winspear Higgins Stevenson & Co.
970 Bow Valley Square
Calgary, Alberta T2P 2R9

TRANSFER AGENTS AND REGISTRARS

Montreal Trust Company
Head Office: 755 Dorchester Blvd. W.
Montreal, Quebec, Canada
Calgary Office: 411 - 8 Avenue, S.W.
Calgary, Alberta

STOCK LISTED

Toronto Stock Exchange
Symbol NUW



2



3



4

- 1 Display Centre, Silver Springs Show Homes.
- 2 Consumer Relations Representative with customer, shortly after occupancy.
- 3 Audio-Visual at Display Centre, Silver Springs Show Homes.
- 4 Display Centre, Canyon Meadows Show Homes.

ten year history (\$000)

REVENUE:

	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965
Housing	\$ 83,442	\$55,496	\$50,922	\$33,193	\$24,533	\$15,786	12,922	\$11,695	\$8,542	\$5,522
Land	7,977	10,873	4,947	3,051	2,424	1,704	158	—	—	—
Rental	2,291	1,863	1,422	747	529	474	246	143	132	116
Other income	4,934	1,211	654	368	228	81	155	92	74	50
	<u>98,644</u>	<u>69,443</u>	<u>57,945</u>	<u>37,359</u>	<u>27,714</u>	<u>18,045</u>	<u>13,481</u>	<u>11,930</u>	<u>8,748</u>	<u>5,688</u>
Cost of sales and operating expenses	86,303	62,484	55,857	35,669	25,964	16,005	11,781	11,287	8,472	5,600
Net income from operations	<u>12,341</u>	<u>6,959</u>	<u>2,088</u>	<u>1,690</u>	<u>1,750</u>	<u>2,040</u>	<u>1,700</u>	<u>643</u>	<u>276</u>	<u>88</u>
Income taxes	6,437	3,454	975	819	895	999	820	282	88	17
Net income before undernoted	<u>5,904</u>	<u>3,505</u>	<u>1,113</u>	<u>871</u>	<u>855</u>	<u>1,041</u>	<u>880</u>	<u>361</u>	<u>188</u>	<u>71</u>
Equity in net income, after income taxes, of Carma Developers Ltd. and other affiliates	1,659	1,148	952	315	56	78	20	29	21	—
Non-recurring gain	—	85	48	—	—	—	—	—	—	—
NET INCOME	<u>\$ 7,563</u>	<u>\$ 4,738</u>	<u>\$ 2,113</u>	<u>\$ 1,186</u>	<u>\$ 911</u>	<u>\$ 1,119</u>	<u>\$ 900</u>	<u>\$ 390</u>	<u>\$ 209</u>	<u>\$ 71</u>
Shares Outstanding (2)	2,843,066	2,610,165	2,546,095	2,532,145	2,506,645	2,475,000				
Total Assets	\$138,664	\$89,661	\$64,884	\$48,295	\$28,825	\$18,693	\$11,846	\$ 7,056	\$5,134	\$3,479
Total Liabilities	114,864	74,106	54,067	40,025	21,805	12,716	9,830	5,940	4,409	3,068
Shareholders' Equity	23,800	15,555	10,817	8,270	7,020	5,977	2,016	1,116	725	411
Shareholders' Equity Including Appraisal Increment (1)	41.51	26.16								
Shareholders' Equity Including Appraisal Increment after 50% tax (1)	24.94	16.06								
Net Income Per Share (2)	2.71	1.81	.83	.47	.37	.45				
Dividends Per Share (2) . . . . .	.25	.10	.067	—	—	—				
Cash Flow Per Share (2)	2.51	1.75	1.04	.58	.45	.64				
Shareholders' Equity per share (2)	8.37	5.96	4.24	3.26	2.80	2.41				

Note 1: Comparable figures for 1972 and prior years are unavailable.

Note 2: 1973 and prior years' figures reflect the three for two share split outlined in Note 8 to the Financial Statements.

The Company became a public company in 1969 and therefore per share figures for the years 1965 to 1968 are not comparable.

